

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

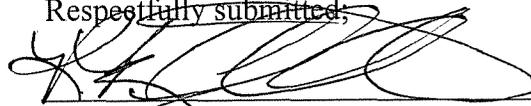
In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE ENVIRONMENTAL)
SURCHARGE MECHANISM OF KENTUCKY)
POWER COMPANY FOR THE SIX-MONTH) CASE NO.
BILLING PERIODS ENDING DECEMBER 31, 2002,) 2006-00128
DECEMBER 31, 2003, JUNE 30, 2004,)
DECEMBER 31, 2004, AND DECEMBER 31, 2005,)
AND FOR THE TWO-YEAR BILLING PERIODS)
ENDING JUNE 30, 2003 AND JUNE 30, 2005)

**KENTUCKY POWER COMPANY'S RESPONSE TO THE COMMISSION'S ORDER
OF JULY 24, 2006**

Kentucky Power Company, by counsel, submits this response to the Commission's Order of July 24, 2006. In its Order, the Commission instructed Kentucky Power to file "no later than 10 days from the date of this Order, a statement of whether there are any material issues of fact that warrant a hearing or whether this case should be submitted for adjudication based on the existing record without a hearing." Kentucky Power does not believe there are material issues of fact that warrant a hearing. Accordingly, it is Kentucky Power's position that this case should be submitted for adjudication based on the existing record.

Respectfully submitted,



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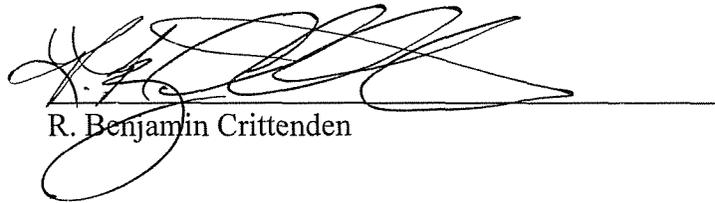
CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was served first class mail, postage prepaid, upon the following:

Michael L. Kurtz
Boehm, Kurtz & Lowry
Suite 1510
36 East Seventh Street
Cincinnati, Ohio 45202

Elizabeth E. Blackford
Assistant Attorney General
Suite 200
1024 Capital Center Drive
Frankfort, Kentucky 40601-8204

on this 27th day of July, 2006.



R. Benjamin Crittenden